

Minutes of the Joint Special Meeting

Town and Police Pension Boards

April 22, 2014

Room 206 4:00 PM

CALL TO ORDER

The meeting was called to order by Kelly Galvin at 4:00 pm. Attendance was as follows:

- For the Town Board: Kelly Galvin (chair), Jack Whitehead, Tony Yezzi, Jon Zagrodzky. Absent: Bruce Sargent.
- For the Police Board: Kim Huffard, Paul Johnson, Lt. Ray Osborne (chair), Jon Zagrodzky. Absent: Bob Harrel
- Others: Karl Kilduff, Town Administrator; Kate Buch, Director of Finance; Bob Maurer, Robeco/Boston Partners

REVIEW AND APPROVAL OF RETIREMENT APPLICATIONS

Retirement applications were reviewed. Approval of the two refund/rollover applications for the Police Plan was moved by Lt. Ray Osborne; passed unanimously.

The Town Board reviewed the Town applications, but Tony Yezzi referred to again to potential very small discrepancies in some of the calculations. The Town Board agreed to defer approvals until these discrepancies are resolved. It was noted that the deferral would not delay payments.

APPROVAL OF JANUARY 28, 2014 MINUTES

The minutes were reviewed; no corrections or edits were made. Paul Johnson moved approval for Police Board; Jon Zagrodzky moved for the Town Board. The motions passed unanimously.

INVESTMENT MANAGEMENT REPORT

Bob Maurer and Duilio Ramallo (who joined by phone) gave an overview of recent investment performance. Highlights included:

- Because of some changes in sales force management and deployment, the U.S. business of Robeco henceforth will be known as Boston Partners

- Performance was robust in the latest reporting period. The current allocation is 60/40 equities/fixed income (maximum per Board policy), and though the internal model suggests additional weighting towards equities, Mr. Ramallo suggested no changes.
- Sources of underperformance included no investments in REITs or Utilities, sectors that outperformed recently but which Mr. Ramallo still prefers to avoid.
- Mr. Ramallo believes the market is at the high end of fair value (16x forward earnings).

OTHER BUSINESS

Both Boards approved going into other business. The purpose was to follow up on the analysis needed to complete the review of pension earnings and salary cost assumptions. During the meeting, Mr. Kilduff distributed a proposal from Buck Consultants for this work, which the Boards agreed to review.

It was also discussed whether the consulting work Buck does for the Town more broadly should be put out to bid. No one on either Board seemed dissatisfied with Buck (notwithstanding their recent slowness in bidding the assumption review work above). However, the Boards would be supportive if Mr. Kilduff or Ms. Buch decided that putting the work out to bid, if for no other reason than to check pricing, would make sense.

The Boards also discussed funding for the assumptions review. It could be an expense of the pension funds, but Jon Zagrodzky will ask, at the May 20th Board of Finance meeting, whether the expenses can be funded out of contingency.

Finally, both Boards agreed that it would be appropriate to call a Special Meeting to (1) vote formally on the Buck assumption review proposal and (2) give formal approval to the many pending Town pension applications outstanding. The target date for the meeting will be late May or early June.

POLICE BOARD ADJOURNMENT

As there was no further business, Jon Zagrodzky moved to adjourn the Police Board; passed at 5:25 pm.

REVIEW AND APPROVAL OF RETIREMENT APPLICATIONS (CONTINUED)

The Town Board continued its discussion of the Town pension applications. It was agreed that Tony Yezzi would draft a short email to Ms. Buch outlining the materials and documents he needs to complete his review.

TOWN BOARD ADJOURNMENT

As there was no further business, Jon Zagrodzky moved to adjourn the Town Board; passed at 5:40 pm.

Respectfully submitted,

Jon Zagrodzky
Clerk